



Foreign Agricultural Service

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# **Russian Federation**

## **Exporter Guide**

### **Annual**

### **2002**

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#### **Report Highlights:**

**The continued expansion of the Russian economy and a concurrent rise in consumer incomes are triggering rapid growth in Russia's retail, HRI, and food processing sectors. This Exporter's Guide gives an overview of each sector, identifies best prospects for U.S. exporters, and provides useful information to help U.S. companies take advantage of the emerging market opportunities.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Moscow ATO [RS4], RS

## SECTION I. MARKET OVERVIEW

Prior to the 1998 economic crisis, Russia was one of the fastest-growing emerging markets, importing a record \$1.3 billion of U.S. food and agricultural products in 1996. In the wake of the crisis, which was largely caused by a collapse of the Russian banking system, U.S. exports to Russia declined sharply. In particular, shipments of consumer-oriented products, such as poultry meat, red meats, snack foods and fresh fruit dropped sharply, with total U.S. exports falling below \$600,000 by 2000.

However, the Russian economy has rebounded sharply, with GDP expanding by 9 percent in 2000, 5 percent in 2001, and projected to grow by more than 4 percent in 2002. U.S. food and agricultural exports to Russia have also recovered, reaching nearly \$1 billion in 2001 - a nearly 60 percent increase over the 2000 level. While poultry meat (primarily frozen chicken leg quarters) accounted for a large share of the total, exports of red meats, fresh fruit, nuts, and wine also grew sharply. Shipments of intermediate products such as soy proteins, isolates, and other semiprocessed foods also increased, reflecting strong demand from the food processing sector.

Russia appears to have entered a phase of relative political and economic stability, which is raising consumer confidence and stimulating growth of the local economy. Over the longer term, Russia's ongoing efforts to join the WTO will continue to bring further improvements in key areas such as customs procedures, certification and inspection, and currency liberalization, making Russia an even better market for U.S. exporters of food and agricultural products.

### U.S. SUPPLIER ADVANTAGES AND CHALLENGES

ADVANTAGES	CHALLENGES
U.S. products generally have a positive image among Russian consumers	Some consumers are wary of imported food products, often frightened by misleading and inaccurate stories in the local media
Higher consumer incomes are boosting demand for new and better quality food products	Consumer incomes have not fully recovered from the 1998 economic crisis
New western-style supermarkets are expanding to meeting growing consumer demand for variety and service	About 70 percent of food purchases are still made in traditional open markets or small local shops
Limited availability and/or inconsistent quality for some local products create import opportunities for a variety of consumer-oriented food products	Imports must compete with similar products supplied from nearby West European countries and by increasingly sophisticated local producers
Local food processors must source new and better quality food ingredients to compete with imports of consumer-oriented products	Processors generally lack access to cheap credit, so may be forced to limit growth or use lower-priced (lower quality) imported or local inputs

Importers/distributors/processors are beginning to look beyond traditional local or West European suppliers	Since most importers typically pay in advance, the longer shipping time for U.S. products ties up the sometimes limited funds of importers
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## SECTION II. EXPORTER BUSINESS TIPS

As in many export markets, business relationships in Russia are usually built through personal contact. Communication by telephone, fax and e-mail is reliable, but dealing with new potential business partners is still best done face-to-face. For the new-to-market exporter, it is imperative to meet with several importer/distributors before choosing the right partner. Following are general marketing tips for newcomers:

- Take time to research the market for your product. The better you understand local conditions and opportunities, the more likely that you will succeed in finding a buyer.
- Don't expect to visit Russia one time, spend three days, and close a deal. That may happen, but be prepared to spend weeks or even months building a successful partnership.
- Business in Russia is a contact sport. It can rarely be done successfully from a distance, through telephone, fax or letter alone.
- Don't let culture shock impair your business judgement. Sometime during your first six months, everything may seem hopeless. However, this does not mean that it is.
- Don't neglect business fundamentals. Business basics - knowing your market, putting the customer first, producing quality products - are as useful in Russia as in any other market.
- Don't expect to do everything at an American pace. While the business environment is improving, many things simply move at a different speed. A good example: Traffic in major cities, like Moscow and St. Petersburg, can be especially frustrating. Be sure to build in extra time into your schedule - you will probably need it.

There are several alternative marketing strategies that can be used to enter the Russian market. While there may be considerable overlap among these different types, four broad approaches can be identified:

- Establish own import and distribution facilities in Russia
- Use the services of an American trading company with offices in Russia
- Sell to a West European agent/consolidator
- Sell directly to a Russian importer/distributor/processor

A U.S. company, operating on its own, will generally pay higher customs fees, face more difficult inspection procedures, and be forced to contend with more administrative delays than would a local importer. For these reasons, the use of a local intermediary or sales office is highly recommended. The local importer may or may not also be the distributor. This entity will serve as a conduit for products into Russia and can deal with the numerous barriers to bringing a new product into the country. A model employed by many successful Western companies operating in Russia is to use a Moscow or St.

Petersburg based trading company to act as primary customer and facilitator of imports. In fact, most imported products sold in Russia pass through Moscow and/or St. Petersburg.

If significant business develops, there is also the option of establishing a legal representative office in Russia – preferably in Moscow. An office in a respectable office building with an assistant, car and driver, including the salary and benefits of the representative, apartment, travel and entertainment expenses, etc. would average \$250,000 - \$300,000 per year.

Following is an overview of local business practices and other information that could be important when considering entry into the Russian market:

## **ASSESSING THE MARKET FOR YOUR PRODUCTS**

There are various ways to assess whether your product has market potential in Russia.

- Review the information provided in *Section IV. Best High-Value Product Prospects* of this report.
- Participate in one of several established trade shows in Russia. This will allow you to take a first-hand look at the Russian market, meet potential importers, and gauge how competitive your product is compared to similar products being promoted at the show.
- Review recent Trade Leads submitted by Russian companies. This can give you a general idea about the demand for particular products, as well as give you specific trade contacts.
- Contact the ATO/Moscow to request a brief market assessment for your product and/or a list of Russian importers.

## **WORKING WITH A RUSSIAN IMPORTER**

Selecting the right Russian partner is probably the most important thing you can do in developing your business in Russia. An experienced and reliable importer can help you avoid the kinds of mistakes that can cost your company profits and sales. In selecting a Russian partner, you should be cautious and use due diligence in evaluating your prospective importer. Checking banking or supplier references is essential, as is an examination of the company's experience and business history. There are both U.S. and Russian companies that can assist you in evaluating your potential partner.

## **DISTRIBUTION CHANNELS**

Most importers also act as a primary wholesaler. A number of importers go even further and are involved in other stages, up to and including retail distribution. One of the key factors influencing any business operation in Russia is the availability of working capital. Many importers simply cannot afford to hold stocks and, if they do, are likely to be limited in their ability to offer credit to secondary buyers or to initiate further trade.

Secondary wholesaling is readily identifiable as a separate activity in the Russian market. These are businesses that procure products locally, either imported or domestically-produced, and using relatively small but conveniently located warehouses, supply to local retail shops and supermarkets. The means

used by secondary wholesalers to distribute products vary widely, and are adjusted according to the needs of buyers and local market conditions. Virtually all such wholesalers operate on a cash and carry basis. Some offer delivery based on telephone orders, while others sell exclusively through agents. Through regular personal contact, the agent knows what retailers need and delivers goods as frequently as once per day.

## **PRICING**

Pricing products for the Russian buyer is, as elsewhere, essentially market driven. Retail prices can be very responsive to different competitive situations, with sometimes wide differences between relatively nearby areas and cities. To understand how final prices and margins are determined, it is important to understand the impact of the Russian tax system. For instance, the profits tax is, in fact, a tax on margins rather than on net profit. Determining a product retail price is based on a several factors/assumptions:

- Import duties vary by product, but range from about 5-30 percent (see Appendix II).
- Customs clearance charges add 1.25 percent.
- The wholesale mark-up is typically 12-15 percent, while retail mark-up runs 35 percent or more, depending on the product and the retailer
- A profit tax is assessed at 39 percent of gross margin.
- A 20 percent value-added tax (VAT) is levied on imports at the point of entry. (Note: the VAT on some food products is only 10 percent.)
- Finally, some cities/regions may impose a 5 percent sales tax

## **CREDIT AND PAYMENT TERMS**

While the Russian banking system has recovered markedly since the 1998 financial crisis, credit is still relatively expensive and can be difficult to arrange. In addition, Russian bank fees are often high, and it can take much longer to open letters of credit or transfer funds than is common in the United States. However, as the economy improves, the financial operations of Russian banks also are improving. About half the banks that are authorized to open foreign currency accounts also have general licenses enabling them to undertake a full range of foreign currency transactions. Many of these banks have correspondent banks in the United States. Further, several American banks such as Citibank, Chase Manhattan, and Bank of New York are licensed to operate in Russia.

Russian importers are accustomed to making 100 percent prepayment prior to shipment. Although some exporters began to offer credit terms as business expanded rapidly in the mid-1990s, the 1998 financial crisis disrupted this practice. However, foreign companies, particularly those in Western Europe, are, once again, offering credit terms to selected partners. Where business relationships have become well established, simple bank transfers often are made on the basis of payment on delivery or payment after an agreed number of days. A letter of credit (LC) may be used when required by the foreign supplier, but LCs are expensive and sometimes difficult to arrange, so this is not a favored payment method.

Three USDA credit guarantee programs -- Supplier Credit, GSM 102 and the Facilities Guarantee Program (FGP) -- are available for Russia. Each of these programs represents a useful tool for helping to expand sales of U.S. food and agricultural products to Russia. However, despite ongoing efforts to educate both Russian buyers and U.S. exporters about these programs, the credit guarantees continue to be greatly underutilized. Ironically, given the cost of local credit, one of these programs could be the key to clinching a new deal or expanding existing business.

## **LOGISTICS AND TRANSPORTATION**

The transportation system for shipping U.S. high value food products into Russia via St. Petersburg and Moscow is very well established. Transit time ranges from 20 days to 27 days depending on the origination and destination ports, with an additional four days shipping time for final delivery by rail or truck to Moscow.

### ***Ports***

Various routes are available for shipment of food products to Russia, each with its own advantages and disadvantages.

- The northern route through Finland, using the ports of Helsinki, Kotka and Hamina, may be the most efficient transportation route. These ports can handle bulk, container (both dry and temperature controlled) and roll-on/roll-off (RO/RO) traffic. The ports have very modern, efficient, and well-organized operations.
- The Baltic route, using the port of Riga, Latvia, can handle bulk, containerized (dry) and RO/RO traffic. However, some shippers rate the Port of Riga as risky because of the high loss and damage reported and/or the high unallocated cost of transportation within the port.
- The Baltic route, using the Port of Tallinn, is also a viable route to service the St. Petersburg and Moscow markets. The Port of Tallinn handles General Bulk cargo, Containers (dry) and RO/RO vessels. The management services and facilities located in Tallinn are sophisticated and modern and capable of either warehousing or delivering a container by rail or truck to the St. Petersburg/Moscow market.
- The ports in the Russian Far East include Vladivostok, Vostochny, Vanino, Nakhodka and Magadan. Although Vostochny is the region's top port, the majority of U.S. exports to the Russian Far East move through Vladivostok.

## **POPULATION**

As indicated in the following table, the Russian population is largely urban. The two largest cities are Moscow (nine million) and St. Petersburg (five million). Although not widely known, Moscow's total metropolitan population of nearly 18 million makes it the largest city in Europe. Another 12 cities across Russia have populations in excess of one million each.

The majority of Russians live in the western or European part of the country (the area west of the Ural Mountains), but there are also large cities in Central Russia and the Russian Far East (RFE). In fact,

the major RFE cities of Vladivostok and Khabarovsk, with about 650,000 inhabitants each, provide an important market for products shipped from the U.S. west coast.

However, the Moscow/St. Petersburg region remains the most important market in Russia simply because of its overall population, developed market structure and, most important, significantly greater affluence. In fact, Moscow accounts for more than 60 percent of the country's financial and economic wealth. In addition, many buyers in outlying regions source their products through Moscow, which is the major transportation hub for truck, air, rail and shipping lines.

**Russia: Resident Population**

Year	Total	Urban		Rural	
	<i>million</i>	<i>million</i>	<i>% of total</i>	<i>million</i>	<i>% of total</i>
1979	137.4	94.9	69	42.5	31
1989	147.0	108.0	73	39.0	27
1999	146.3	106.8	73	39.5	27
2000	145.6	106.1	73	39.5	27
2001	144.0	105.0	73	39.0	27

Source: Russian State Statistics Committee

**Russia: Resident Population (by age/gender)**

	<i>Million</i>	<i>%</i>	<i>Females per 1000 males</i>
Total	144.0	100	1133
Working age (16-59 men; 16-54 women)	85.0	59	944
Below working age (below 16)	28.8	20	957
Above working age (above 59 men; above 54 female)	30.2	21	2342

Source: Russian State Statistics Committee

**INCOME**

Although an estimated 40 million Russians still fall below the poverty line, the majority of consumers are enjoying the benefits of Russia's economic growth. In large cities such as Moscow, the reforms of the 90s have contributed to the development of the Russian "middle class". Official figures for this segment of the population are unavailable, but analysts put the number at 10 percent or about 15 million people, with most living in Moscow and St. Petersburg.

This new class, mostly men and women in their mid 20s to late 30s, either work in privately owned Russian and foreign companies or are entrepreneurs. The average per capita monthly income of this group is \$500, and many have incomes as high as \$2,000 per month. These "middle class" Russians



emerged in the mid-1990s, as western firms and joint ventures began replacing expatriate employees with young, and often, but not always, Western-educated Russians.

## **BRAND IDENTITY**

The idea of product brands and brand loyalty has developed gradually -- first through imports, and more recently by the adoption of Western marketing techniques by more progressive Russian producers. This has been accomplished partly through consumers becoming more aware of brands available in the shops and making repeat purchases, and partly through advertising and other promotional activities.

Although imported consumer-oriented food products were trendy and very much in demand during the early 90's, many consumers are now showing strong interest in old and new Russian products bearing Russian brand names. Even some foreign food processors have taken advantage of this trend by introducing new products with Russian brand names. In fact, some of the most successful new food products are produced locally but promoted using western techniques with traditional Russian themes.

## **ADVERTISING AND PROMOTIONAL ACTIVITIES**

Western-style advertising has hit Russia in a big way. In 1991, an estimated \$30 million was spent on advertising. By 2001, advertising expenditures reached \$1.7 billion -- up 53 percent from the 2000 level. As can be seen in the following chart, TV commercials account for the largest share of advertising expenditures, followed by newspaper ads and billboards. However, the fastest growing segment is direct advertising, which includes store and product flyers distributed by hand in malls and stores or sent through the mail.

### **Russia: Advertising Expenditures, 2000 - 2001**

	<i><b>2000</b></i> <i><b>(\$ million)</b></i>	<i><b>2001</b></i> <i><b>(\$ million)</b></i>	<i><b>2001/2000</b></i> <i><b>(% change)</b></i>
<b>Television</b>	270	481	54
<b>Newspapers</b>	240	312	30
<b>Billboards</b>	150	225	50
<b>Magazines</b>	100	143	43
<b>Direct marketing</b>	70	150	114
<b>Radio</b>	40	55	13
<b>Internet</b>	3	4	67
<b>Other</b>	230	360	56

<b>Total</b>	1,100	1,730	54
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*Source: Russian Association of Advertisement Agencies; Russian Public Relations Group*

Despite this explosive growth, annual advertisement expenditure in Russia is still less than \$12 per capita, compared with about \$100 per capita in western Europe. TV ad rates are also much lower compared to western countries. Such low TV rates are possible due to the fact that Russian TV stations do not rely solely on advertising for revenue - they are also financed either by the state or large corporations. Because of the low rates, TV advertising has become one of the most favored means of advertising as it allows the advertiser to target virtually all segments of the population at a lower cost than for any other media.

There are few regulations prohibiting specific forms or types of advertising. One exception is the ban on TV advertising for tobacco and hard liquor. Growing concern about the rapid increase in beer consumption (albeit largely at the expense of vodka) has led to tighter restrictions on beer ads, too. While TV advertising is still permitted, no beer ads are permitted during prime-time viewing hours when children and teenagers are more likely to be watching. Also, no beer ads in any medium may use cartoon, animal, sport or entertainment figures that could be seen as targeting the youth market.

In-store promotions are becoming increasingly popular, especially in Moscow, as are other point-of-sale advertising and promotional methods commonly used in the U.S. However, such promotions are usually initiated and funded by the distributor or the food processor, rather than by the supermarket chains themselves although this, too, is starting to change. Supermarkets are increasing their use of direct advertising

### **SECTION III. MARKET SECTOR STRUCTURE AND TRENDS**

As the Russian economy continues to grow and consumer incomes rise, there are emerging opportunities for a wide range of U.S. food products. Following is an overview of the three major food and beverage sectors -- food retail, food processing and food service (HRI). While each sector offers a unique set of challenges, there are also many interesting possibilities for U.S. exporters.

Note: A more detailed analysis of each sector will be available in special reports to be published over the coming months. In the meantime, please contact ATO/Moscow for more information.

#### **THE RETAIL FOOD SECTOR**

The value of retail food sales in Russia plummeted following the 1998 financial crisis as consumers were forced to scale back sharply on purchases of imported food products and some higher-priced local delicacies. However, like the rest of the Russian economy, the retail food sector has recovered quickly over the past several years. In fact, retail sales in 2001 increased by more than 25 percent compared with the previous year, reaching a total of \$47.5 billion.

The most visible sign of growth in the retail food sector has been the rapid introduction and expansion of western-style supermarket chains, particularly in Moscow. Several foreign retailers, including Metro (Germany), Spar (Netherlands) and Auchan (France), have already opened outlets and announced plans for further expansion in Moscow, St. Petersburg, and other cities. In fact, the Russian retail sector was the most favored by foreign investors, accounting for 19 percent of total foreign direct investment or about \$757 million.

### Russia: Major Food Retailers, 2001

<i>Name</i>	<i>Location</i>	<i>Format</i> <sup>1/</sup>	<i>Outlets</i>	<i>Annual Sales (\$ millions)</i>
Ramstor	Moscow N. Novgorod	SUP / HYP	10 / 3	250
Perekryostok	Moscow	SUP / DSC	30 / 8	248
Pyatyorochka	Moscow St. Petersburg	DSC	84	200
Seventh Continent	Moscow	SUP / TC	22 / 2	200
Metro	Moscow	C&C	2	160
Kopeyka	Moscow	DSC / SUP	23 / 1	115
Bin	Moscow	SUP	18	100
Paterson	Moscow	SUP / TC	10 / 1	100
MDM-Viktoria	Kaliningrad	DSC / SUP / C&C	15 / 3 / 1	80
Kirovskiy	Yekaterinburg	SUP	23	65

<sup>1/</sup> HYP - hypermarket; SUP - supermarket; DSC - discounter; C&C - cash & carry; TC - trading center

Clearly, growth in this sector is still attracting serious foreign interest, as Carre Fours (France) recently opened a representative office in Moscow, with near-term plans to open several hypermarkets in Moscow and St. Petersburg. Other retailers (including Walmart) are also rumored to be considering entry into the Russian market.

Not content to sit by and watch the market be carved up by foreign retailers, several local supermarket chains (Perekryostok, Seventh Continent, Pyatorachka, etc.) and one foreign early-entrant (Ramstore) have all launched equally ambitious expansion plans. While the focus for some of these chains (Pyatorachka, Kopeika) is on smaller, neighborhood stores, the trend is definitely for increasingly larger supermarkets and hypermarkets. Financing for many of these projects is coming from the Russian oil industry, which is looking for profitable ways to invest the money that has accumulated due to relatively high oil prices.

It is not clear, at this point, if the local retail market can accommodate all of the new supermarkets, hypermarkets, and cash and carry outlets being planned in the short-term. However, two factors point to significant market expansion opportunities over the longer term: 1) per capita retail space in Russia is much less than in other countries in Western and Central Europe; 2) supermarkets currently account for only an estimated 10-15 percent of total retail food sales in Russia (traditional wholesale markets and smaller local shops/kiosks account for the bulk of sales).

The most important aspect of the growth of the supermarket/hypermarket chains is the fact that such stores are more likely to attract middle- and upper- income buyers. As a result, these outlets offer the best opportunity to introduce and expand sales of U.S. food products. Indeed, all of the foreign and most of the local chains offer bright, clean, and convenient facilities, good service and selection, and relatively good value. Again, although supermarkets/hypermarkets currently account for a relatively small share of total retail sales, this is one of the fastest growing areas of the rapidly expanding Russian retail sector.

### ***THE HOTEL, RESTAURANT, AND INSTITUTIONAL (HRI) SECTOR***

The HRI sector may have suffered the most as a result of the 1998 financial crisis. Prior to 1998, this was, perhaps, the fastest growing and most lucrative part of the Russian market for imported foods. However, the sharp ruble devaluation in the months immediately following the crisis wiped out a large part of the Russian middle class. According to industry sources, restaurant revenues dropped by half, and many restaurants found it difficult to remain profitable.

Fortunately, the HRI sector is also making an impressive comeback, particularly as reflected in the growth of fast-food outlets and restaurants targeting middle- and upper-income consumers. Among the fast-food chains are imports like McDonald's and Sbarros and some very successful locally-grown newcomers like Rostiks - the Russian version of Kentucky Fried Chicken.

While most of these fast-food franchises are trying to source as much food locally as possible to keep costs (and prices) down, there are a number of middle-class, Western-theme restaurants (American Bar and Grill, Starlite Diner, etc.) that already use some U.S. products and offer good potential for even greater use of imported food and beverage products. In addition, the continued growth of more up-scale restaurants will also create opportunities for imports of high-value U.S. products (beef, pork, seafood, wine, etc.)

### ***THE FOOD PROCESSING SECTOR***

Ironically, the financial crisis of 1998, which dealt a sharp blow to the economy as a whole, breathed new life into the domestic food processing industry as consumers who could no longer afford imported goods increasingly turned toward less expensive domestic brands. Long suffering domestic food processors suddenly found a captive and growing market for their products. In fact, in some subsectors (beer, dairy products, fruit juices) domestic suppliers have captured market share that will be difficult to wrest away.

In particular, those processors that have been able to attract further investment have done a good job of improving the quality of their product and the sophistication of their marketing efforts. While much of the investment in this sector is coming from local sources - again, the cash-flush oil industry, for example - this sector also has attracted foreign interest. In fact, the food processing industry was the third largest recipient of foreign direct investment in 2001, with \$528 million or about 13 percent of the total.

As can be seen from the following table, the food processing sector has grown sharply over the past several years, with total production value in 2001 increasing by nearly 30 percent over the previous year. Perhaps more important, net profits rose by more than 45 percent. The table also shows the very strong expansion for some products, such as fruit juices, canned seafood, wine and beer.

### **Russia: Key Indicators for the Food Processing Sector, 1999-2001**

	1999	2000	2001	2001/2000 (% change)
Number of businesses (thousand)	22.9	25.4	24.3	-3.5
Value of food production (billion US\$)	15.7	18.7	24.2	29.4
Net profit (billion US\$)	1.1	1.1	1.6	45.4
Canned/preserved foods (million cans) <sup>1/</sup>	2697	3223	4087	26.8
Vegetables, ex. juices or tomato prod.	322	386	412	6.7
Fruit juice	340	705	1330	88.7
Tomato paste, sauces, etc.	190	215	232	7.9
Dairy products	538	620	662	6.8
Canned fish/seafood	486	531	597	12.4
Vodka/liquor products (million deciliters)	134	123	131	6.5
Wine, grape (million deciliters)	18	24	27	29.2
Beer (million deciliters)	445	516	627	21.5

<sup>1/</sup> Standard can = 335 grams

While the increasing sophistication of local food processors is creating tougher competition for some imported food products, the rapid growth of the domestic food processing sector is also creating new import opportunities for a wide range of food ingredients. Also, as the Russian economy continues to improve and consumer incomes grow, local processors are finding it necessary to source new and/or better quality ingredients to help maintain market share.

## SECTION IV. BEST HIGH-VALUE PRODUCT PROSPECTS

### *Food Retail Sector*

- processed poultry products
- frozen and processed beef and pork
- fish and seafood items
- fresh fruit (apples, pears)
- dried fruit and nuts
- convenience foods (including frozen and microwaveable)
- canned vegetables (including private label)
- frozen vegetables
- rice
- ice cream and other frozen desserts
- confectionery
- wine
- pet foods

### *HRI Sector*

- fresh/frozen beef, pork, poultry meat
- fish and seafood items
- fresh fruit (apples, pears)
- dried fruit and nuts
- frozen vegetables
- frozen potato products
- rice
- sauces and seasonings
- ice cream and other frozen desserts
- confectionery
- wine

### *Food Processing Sector*

- poultry/beef/pork trimmings and offal
- fish and seafood products
- soy protein/isolates/flour
- milk powder/whey
- snack food pellets
- seasonings/spices/flavorings
- beverage bases
- frozen fruit
- dried fruit and nuts
- specialty flours

- specialty sugars
- rice
- dried beans, peas, lentils

## **SECTION V. KEY CONTACTS AND FURTHER INFORMATION**

### *Contact Information for FAS Offices in Russia and in the United States:*

U.S. Agricultural Trade Office  
American Embassy  
Bolshoy Devyatinskiy Pereulok 8  
121099 Moscow, Russia  
Tel: 7 (095) 728-5560; Fax: 7 (095) 728-5069  
E-mail : [atomoscow@fas.usda.gov](mailto:atomoscow@fas.usda.gov) or [agtrade@corbina.ru](mailto:agtrade@corbina.ru)  
Jeffrey Hesse, Director

### *For mail coming from the U.S.:*

Agricultural Trade Office  
PSC 77 AGR  
APO, AE 09721

### *For international mail:*

Agricultural Trade Office  
U.S. Embassy - Box M  
Itainen Puistortie 14  
00140 Helsinki, Finland

### *Covering Northwest Russia (St. Petersburg):*

FAS Marketing Specialist  
American Consulate General  
Nevskiy Prospekt, 25  
191186 St. Petersburg, Russia  
Tel: 7 (812) 326-2580; Fax: 7 (812) 326-2561  
E-mail: [fasspb@mail.wplus.net](mailto:fasspb@mail.wplus.net)

### *Covering the Russian Far East (Vladivostok):*

FAS Marketing Specialist  
American Consulate General  
Ulitsa Pushkinskaya, 32  
690001 Vladivostok, Russia  
Tel: 7 (4232) 300-070 or 300-089; Fax: 7 (4232) 300-089  
E-mail: [romanova@online.ru](mailto:romanova@online.ru)

*For General Information on FAS/USDA Market Promotion Programs and Activities:*

AgExport Services Division  
Room 4939  
14<sup>th</sup> and Independence, SW  
Washington, DC 20250  
Tel: (202) 720-6343; Fax: (202) 690-0193

*For On-Line Information Regarding FAS/USDA Promotion Programs/Activities, Market Research:*

**FAS Website:** [www.fas.usda.gov](http://www.fas.usda.gov)

*For Trade Policy/Market Access Issues, General Information  
on the Russian Agricultural Sector, etc:*

Office of Agricultural Affairs  
American Embassy  
Bolshoy Devyatinskiy Pereulok 8  
121099 Moscow, Russia  
Tel: 7 (095) 728-5222; Fax: 7 (095) 728-5133 or 728 5102  
E-mail : [agmoscow@fas.usda.gov](mailto:agmoscow@fas.usda.gov) or [agmoscow@corbina.ru](mailto:agmoscow@corbina.ru)  
Geoffrey Wiggin, Minister-Counselor

### **USDA/FAS AND ATO SERVICES**

The Foreign Agricultural Service and the Agricultural Trade Office/Moscow offer a variety of programs, services, and information resources to help U.S. exporters of food, beverage, and agricultural products learn more about the Russian market, establish initial contact with Russian buyers, and promote their products in the local market. Following is a partial listing of programs and services.

**Trade Leads** are direct inquiries from Russian buyers seeking U.S. sources for specific food, beverage, or agricultural products. U.S. companies can receive these Trade Leads by contacting the AgExport Services Division, FAS/USDA or by visiting the USDA/FAS Homepage (see contact information above).

**Buyer Alert** is a biweekly publication providing information on specific food, beverage, and agricultural products offered by U.S. exporters. U.S. companies may place ads in Buyer Alert by contacting the AgExport Services Division, FAS/USDA (see contact information above).

**U.S. Supplier Lists** are drawn from an extensive database of companies that can supply a wide range of U.S. food, beverage, and agricultural products. The ATO Moscow supplies these lists to Russian importers on request. U.S. companies that wish to be included in this database should contact the AgExport Services Division, FAS/USDA (see contact information above).



**Foreign Buyer Lists** are drawn from an extensive database of Russian importers dealing with a wide range of food, beverage, and agricultural products. U.S. companies can order these lists through the AgExport Services Division, FAS/USDA (see contact information above).

The ATO/Moscow also coordinates U.S. participation in local trade shows (see list of Russian Trade Shows below), sponsors supermarket and menu promotions, provides support for trade missions, and can help arrange appointments for first-time visitors to Russia. For more detail on these and other programs or activities, please contact the ATO/Moscow (see contact information above).

The USDA/FAS website is an excellent source of information on other USDA/FAS export promotion/assistance programs, such as the Market Access Program (MAP) and Credit Guarantee Programs, as well as a wide range of information and reports on market opportunities for U.S. food, beverage, and agricultural exports world-wide.

### ***OTHER USEFUL CONTACTS:***

The ATO/Moscow works with a large number of U.S. industry organizations, some of which have local offices to assist U.S. exporters of these food and agricultural products:

U.S. Poultry and Egg Export Council (USAPEEC)  
1<sup>st</sup> Kolobovskiy Pereulok  
Bld. 6, stroyeniye 3  
103051 Moscow, Russia  
Tel.: 7 (095) 795-0660; Fax: 7 (095) 795-0661

U.S. Meat Export Federation (USMEF)  
9th floor, Business Center, Leninsky Prospekt, 2  
117049 Moscow, Russia  
Tel: 7 (095) 239-1578; Fax: 7 (095) 230-6849

Northwest Pear Bureau  
1 B, Nizhneportovaya  
690002 Vladivostok, Russia  
Tel/Fax: (7-4232) 521-390  
E-mail: info@newmark.ru

American Soybean Association (ASA)  
1<sup>st</sup> Kolobovskiy Pereulok  
Bld.6, stroyeniye 3  
103051 Moscow, Russia  
Tel: 7 (095) 795-0664; Fax: 7 (095) 795-0665

U.S. Grains Council (USGC)

1<sup>st</sup> Kolobovskiy Pereulok  
Bld.6, stroyeniye 3  
103051 Moscow, Russia  
Tel: 7 (095) 795-0662 or 7 (095) 795-0663; Fax: 7 (095) 795-0663

Another good source for information on doing business in Russia, the American Chamber of Commerce has offices in Moscow and St. Petersburg:

American Chamber of Commerce in Russia (AmCham)  
Kosmodamianskaya Nab. 52, Building 1, 8th floor  
113054 Moscow, Russia  
Tel: (095) 961-2141; Fax: (095) 961-2142  
Email: [amcham@amcham.ru](mailto:amcham@amcham.ru)

American Chamber of Commerce in St. Petersburg  
25 Nevsky Prospect  
191186 St. Petersburg, Russia  
Tel: (812) 326-2590; Fax: (812) 326-2591  
Email: [sbychkov@amcham.ru](mailto:sbychkov@amcham.ru)

For questions on agricultural machinery, food processing and packaging equipment/materials, refrigeration equipment, etc., please contact the Foreign Commercial Service:

Foreign Commercial Service  
Bldg. 2, 23/38 Bolshaya Molchanovka  
121069 Moscow, Russia  
Tel: 7 (095) 737-5030; Fax: 7 (095) 737-5033  
E-mail: [moscow.office.box@mail.doc.gov](mailto:moscow.office.box@mail.doc.gov)

## APPENDIX I. STATISTICS

**Table A. Key Trade & Demographic Information** <sup>1/</sup>

Agricultural Imports From All Countries (\$Million)/US Market Share(%) <sup>2/</sup>	\$7,294 / 10% (2000)
Consumer Food Imports From All Countries (\$Million)/US Market Share (%) <sup>2/</sup>	\$3,433 / 11% (2000)
Edible Fishery Imports From All Countries (\$Million)/US Market Share (%) <sup>2/</sup>	\$158 / 4% (2000)
Total Population (Million)/Annual Growth Rate (%)	144.0 / -0.5% (2002)
Urban Population (Million)/Annual Growth Rate (%)	105 / -0.4% (2002)
Number of Major Metropolitan Areas <sup>3/</sup>	14
Size of the Middle Class (Million)/Growth Rate (%) <sup>4/</sup>	15 / --
Per Capita Gross Domestic Product (US\$)	\$2,135
Unemployment Rate (%)	8.9% (Nov 2001)
Per Capita Food Expenditures (US\$) <sup>5/</sup>	\$400
Percent of Female Population Employed <sup>6/</sup>	92%
Exchange Rate (US\$1 = 31.66 Rubles)	As of Sept.2002

<sup>1/</sup> Source: Unless otherwise noted, Russian State Statistics Committee.

<sup>2/</sup> Source: FAS UN Trade Database.

<sup>3/</sup> Population in excess of 1,000,000

<sup>4/</sup> Source: Various - based on estimate of individuals earning US\$500-\$2000 per month.

<sup>5/</sup> Source: Estimate based on total retail food sales.

<sup>6/</sup> As percentage of economically-active female population (employed or actively seeking employment). Female workers account for 41% of the total economically-active population.

**Table B. Consumer Food & Edible Fishery Product Imports**

	Imports from the World			Imports from the U.S.			U.S. Market Share		
	1998	1999	2000	1998	1999	2000	1998	1999	2000
(in millions of Dollars)									
<b>CONSUMER-ORIENTED AGRICULTURAL TOTAL</b>	5,746	3,302	3,433	770	281	389	13	9	11
Snack Foods (excl. Nuts)	251	136	215	6	3	2	2	2	1
Breakfast Cereals & Pancake Mix	38	9	10	2	1	1	7	5	2
Red Meats, Fresh/Chilled/Frozen	1,193	1,014	619	141	121	78	12	12	13
Red Meats, Prepared/Preserved	303	75	65	54	5	1	18	6	2
Poultry Meat	563	154	366	426	86	257	76	56	70
Dairy Products (excl. Cheese)	376	228	184	19	31	26	5	14	14
Cheese	98	36	64	1	1	1	0	0	1
Eggs & Products	13	5	4	1	1	1	7	5	3
Fresh Fruit	627	394	559	15	2	1	2	0	0
Fresh Vegetables	274	200	202	3	1	1	1	1	0
Processed Fruit & Vegetables	401	346	349	22	21	8	6	6	2
Fruit & Vegetable Juices	112	53	57	1	1	1	1	0	0
Tree Nuts	32	14	20	10	3	4	33	23	21
Wine & Beer	485	197	248	5	1	1	1	0	0
Nursery Products & Cut Flowers	51	25	42	1	0	1	0	0	0
Pet Foods (Dog & Cat Food)	23	13	14	5	1	1	23	6	4
Other Consumer-Oriented Products	906	403	415	58	6	9	6	1	2
<b>FISH &amp; SEAFOOD PRODUCTS</b>	255	155	158	7	15	7	3	10	4
Salmon	12	9	9	1	4	4	1	44	42
Surimi	2	6	2	1	1	1	8	22	31
Crustaceans	10	4	5	1	1	1	7	2	1
Groundfish & Flatfish	49	23	15	1	3	1	2	14	2
Molluscs	2	1	1	1	1	1	2	4	11
Other Fishery Products	181	113	126	6	7	2	3	6	2
<b>AGRICULTURAL PRODUCTS TOTAL</b>	9,370	7,583	7,041	855	739	715	9	10	10
<b>AGRICULTURAL, FISH &amp; FORESTRY TOTAL</b>	9,812	7,835	7,294	869	757	724	9	10	10

Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office

Table C. Top 15 Suppliers of Consumer Foods &amp; Edible Fishery Products

Russian Federation Imports							
CONSUMER-ORIENTED AGRICULTURAL TOTAL				FISH & SEAFOOD PRODUCTS			
	1998	1999	2000		1998	1999	2000
	Value	Value	Value		Value	Value	Value
	1000\$	1000\$	1000\$		1000\$	1000\$	1000\$
Ukraine	385,114	342,050	482,298	Norway	77,205	47,380	68,999
United States	770,463	281,191	388,701	United Kingdom	9,597	10,483	16,439
Germany	478,584	339,047	246,864	Latvia	17,976	11,216	10,642
Netherlands	274,376	188,966	198,864	Mauritania	2,386	5,851	7,494
Moldova, Republic of	350,164	153,988	177,312	United States	7,450	15,248	6,921
Poland	341,894	195,624	175,826	Kazakhstan, Republic of	8,399	4,874	6,803
France	250,335	221,504	157,129	Estonia	11,082	6,162	5,076
Ecuador	105,636	99,193	156,143	Denmark	9,370	3,086	4,310
Uzbekistan, Republic of	113,337	85,167	150,321	Lithuania	2,634	4,505	4,215
Spain	113,022	73,289	83,941	Ukraine	17,802	8,501	3,747
Denmark	169,321	101,891	81,511	Netherlands	4,308	4,242	2,921
Kazakhstan, Republic of	89,769	79,519	76,003	China, Peoples Republic	5,162	1,784	2,866
India	86,400	89,000	73,516	Finland	5,334	3,460	2,345
Italy	172,592	70,424	72,510	France	3,760	1,994	1,904
Belgium	0	62,549	59,565	Poland	6,299	4,751	1,854
Other	2,044,765	918,074	852,891	Other	66,731	21,881	11,468
World	5,745,846	3,301,587	3,433,474	World	255,499	155,438	158,029

Source: United Nations Statistics Division

**APPENDIX II. RUSSIAN IMPORT DUTIES FOR SELECTED CATEGORIES**

<b>Product Category</b>	<b>Code</b>	<b>Import Duty</b>
Meat and Meat Products	0201- 0206	15%, but not less than 0.15-0.25 Euros per kilo
Poultry and Poultry Products	207	25%, but not less than 0.2 Euros per kilo
Seafood	0301-0307	10%
Dairy Products	0401-0406	15%, but not less than 0.18-0.30 Euros per kilo
Fresh/Dried Vegetables	0701-0714	15%
Fresh/Dried Fruit and Nuts	0801-0813	5-10%
Coffee, Tea, and Spices	0901-0910	5%
Grains	1001-1008	5%
Wheat Flour, Starch, Malt, Grain Preps, Gluten	1101-1109	10%
Oilseeds and Oilseed Products	1201-1214	5%
Sausage, Canned Meat and Seafood	1601-1605	15%-20%
Sugar and Confectionery, Except Cocoa Products	1701-1704	5%-30%
Cocoa and Cocoa Products	37147	5%-10%, but not less than 0.6 euros per kilo
Pasta and Baked Products	1901-1905	5%-15%
Canned Fruit and Vegetables, Juices	2001-2009	5%-15%
Instant Soup, Ice Cream, Baby Food, Food Ingredients	2101-2106	10%-20%
Alcoholic Beverages	2201-2209	15%-20%, but not less than 2.0 euros per liter
Animal Feed	2309	20%, but not less than 0.16 euros per kilo

The duties listed here are for illustrative purposes only. For specific product information, please contact the Agricultural Trade Office/Moscow

## **APPENDIX III. RUSSIAN IMPORT REGULATIONS**

### **General Import Regulations**

Shipping food or beverage products into Russia is a bureaucratic and time-consuming process that is best handled either by a freight forwarder or an experienced Russian importer. The process involves two main steps: (1) Safety, Phytosanitary and Veterinary Clearance; and (2) Customs Clearance.

Although the information provided in this guide is considered accurate at the time of publication, exporters should confirm the exact import requirements for all products prior to shipment. Also, please be aware that there may be specific import requirements for some products that are not addressed fully in this document.

The following documents are required for all shipments. Further information on each of these documents is provided in this section.

Delivery Contract  
Bill of Lading  
Freight customs declaration  
Certificate of Origin  
Hygiene or Veterinary Certificates, as necessary  
Manufacturer's Certificate of Quality

### **Labeling and Packaging Requirements**

Russian labeling laws have undergone several changes in recent years. Ultimately, Russian importers are responsible for complying with these labeling laws. Below are generic label requirements in force at the time of this publication. In addition, there may be additional requirements for certain product categories. Consult the FAS Home Page at [www.fas.usda.gov](http://www.fas.usda.gov) for additional labeling information. Please note that all information must be in Russian.

1. Name of the product and description
2. Country of origin
3. Name of producer/processor (company name may be in Latin letters)
4. Weight and volume of the product
5. List of the main ingredients, including food additives
6. Nutritional information
7. Information on storage conditions for products with limited shelf life or special storage requirements
8. The length of storage/shelf life (should include date of production and use-by date)
9. Method of preparation
10. Recommendations for use
11. Conditions for use, including avoidance during certain types of illness

Currently, importers are allowed to place labels with this information in the Russian language after the product reaches Russia. The current law also states that, if the package is small or the label cannot include all the necessary text, this information may be printed separately and enclosed with each unit of the product. Please confirm the specific labeling requirements for your product with your Russian importer to ensure that your product labeling complies with the current law.



### **Certificate of Conformity**

GOSSTANDART (State Standards Committee) is the national body responsible for the certification of goods. A complete schedule of goods subject to mandatory certification is published and includes foodstuffs and beverages of local and foreign origin. Full certification according to standards set by GOSSTANDART is mandatory for all imported product. The most important certification for imported product is the Certification of Conformity (called GOST-R), which is issued by the Russian Research Institute for Certification (VNIIS). Testing is performed by the Testing and Certification Center (Rostest), which provides a full range of quality control and inspection facilities in Russia. However, the Certificate of Conformity can be issued in the United States. Inquiries about pre-certification can be made to Control Union Inspection, Inc. or to the U.S. Testing Company, Inc. of New Jersey, which is a subsidiary of the private survey company, SGS. These companies can also provide further information on certification requirements and the costs of testing. The advantage in obtaining the Certificate of Conformity in the United States is that testing in Russia can take two months or more.

### **Hygiene Certificate**

This is required for all food products, additives, and preservatives. The State Committee on Sanitation and Epidemic Control (Goskomsanepidemnadzor) issues the certificates for children's foods, food additives, non-traditional forms of unprocessed food, as well as food products purchased under international agreements. Goskomsanepidemnadzor is responsible for sanitary and hygiene regulations. It issues Hygiene (Sanitary) Certificates through its Moscow certification laboratories. This committee also works closely with the Institute of Nutrition which operates under the supervision of the Russian Federation's Academy of Medical Science. The Hygiene Certificate can also be handled through the U.S. testing centers mentioned above. Certificates for other food products may be issued by local departments of Sanepidemnadzor.

### ***Specific Import Regulations: Meat and Poultry***

Russian Government veterinary authorities determine which meat and poultry products may be imported and establish the import requirements for these products.

### **Eligible Products**

The following products are eligible for export from the United States to Russia: poultry meat and poultry products, beef and beef products, pork and pork products. All raw and processed meat products intended for export to Russia must comply with USDA standards and regulations.

### **Ineligible Products**

The following meat products are not eligible for export from the United States to Russia: ground red meat packaged in bulk form or in meat patties; beef products originating from beef animals raised in states where outbreaks of vesicular stomatitis are occurring; consumer-size packages of ground or mechanically-deboned poultry meat and giblets; poultry products originating from birds originating in specific counties in states affected by an outbreak of laryngotracheitis.

For current information regarding disease status in restricted regions, please contact the Food Safety and Inspection Service (FSIS), Technical Service Center, Omaha, Nebraska, tel: (402) 221-7400, fax: (402) 418-8914. For up-to-date information on import requirements for Russia, please contact the Export Coordination Division of FSIS, tel: (202)501-6022, fax: (202)501-6929. You can also get the latest import requirements by contacting FSIS through the USDA Home Page: [www.usda.gov](http://www.usda.gov).

### **Veterinary Certificates**

All meat and poultry products shipped from the United States require USDA/FSIS Form 9060-5--Export Certificate of Wholesomeness. In addition, the following certificates are also required:

For raw pork, including bacon and pork for retail sale: FSIS Form 9450-3(8/97) — Veterinary Certificate for Pork Meat Exported to the Russian Federation.

For pork casings: FSIS Form 9450-6 (7/95) — Veterinary Certificate for Pork Intestine Raw Material, Exported Into the Russia Federation.

For poultry: FSIS Form 9450-4(3/96) — Veterinary Certificate for Poultry Meat Exported into the Russian Federation.

For raw beef: FSIS Form 9450-5 (6/94) — Veterinary Certificate for Beef Meat Exported into the Russian Federation.

For fully-cooked meat and poultry products and heat-treated but not-fully-cooked meat products: FSIS Form 9450-7 (7/95) — Veterinary Certificate for Prepared Meat Products Exported into the Russian Federation.

All certificates accompanying product into the Russian Federation must be signed by a FSIS veterinarian. For guidance in completing the proper documents, contact FSIS, Technical Service Center, Export Division, tel: (402) 221-7400, fax: (402) 418-8914.

### **Processing/Packing Plant Certification**

#### ***Poultry***

All establishments that process or store raw poultry intended for export to the Russian Federation must be inspected by an official of the Russian Ministry of Agriculture and included in the approved plant list for raw poultry prior shipping products to Russia. Establishments are inspected at their own expense. The requirements for these establishments are outlined in “The US-Russia Criteria for Processing and Refrigeration Facilities Exporting Poultry to the Russian Federation”. For additional information on plant inspection, copies of inspection criteria or an approved plant list, please contact FSIS, Technical Service Center, Export Division, tel: (402) 221-7400, fax: (402) 418-8914.

#### ***Pork***

All establishments that process or store raw pork intended for export to the Russian Federation must be inspected by an official of the Russian Ministry of Agriculture and included in the approved plant list for raw pork prior to being eligible to export products to Russia. Establishments are inspected at their own

expense. For additional information on plant inspection, copies of inspection criteria or an approved plant list, please contact FSIS, Technical Service Center, Export Division, tel: (402) 221-7400, fax: (402) 418-8914.

### ***Other Meat Products***

Fully cooked pork products, pork casings, beef and beef products, fully cooked poultry products, and heat treated but not-fully-cooked poultry products can originate from any federally inspected facility.

### ***Processed Food Products***

Processed food products must comply with the general import requirements discussed above. In addition, if the product contains meat or poultry, it must comply with the requirements for importing meat and poultry products. Fish and seafood products must be from plants approved by the U.S. Food and Drug Administration (FDA), tel: (202) 418-3163, fax: (202) 418-3196. Please note that there may be additional import requirements for certain processed food and beverage products. Always check with your importer to be certain that your products meet Russian standards prior to shipment.

### **Russian Regulatory Bodies**

Below is a list of important Russian regulatory agencies involved in approving food imports. Contact information can be found at the end of this appendix.

**Gosstandart**, the State Standards Committee of Russia, is the national body for the certification of goods. A schedule of goods that are subject to mandatory certification is published and includes foodstuffs and beverages, whether of local or foreign origin.

**The Russian Research Institute for Certification (VNIIS)** issues the Certificate of Conformity.

**The Russian Testing and Certification Center (ROSTEST)** provides a full range of quality control and inspection facilities in Russia.

**Goskomsanepidemnadzor**, the State Committee on Sanitation and Epidemic Control, is responsible for sanitary and hygiene regulations.

### **Customs Clearance**

As a general rule, customs clearance is undertaken at the customs office for the designated address of the importer, and goods have to travel under seal to the clearance point. Import clearance is normally undertaken by the importer. All customs documentation should be provided in the Russian language. Fees are levied for customs clearance and these depend upon the regime applicable to the commodity. Fees are normally 1% of contract value with a further 0.05% due in foreign currency. Clearance procedures, although formally spelled out, often appear to be applied inconsistently.

### ***Import Duties***

Import duties are levied on imported foodstuffs at varying rates with the actual amount paid depending on

the contract value. Please note that sub-categories within the main tariff categories may attract different rates. Also, tariff levels and customs procedures may change abruptly. Moreover, reclassification of product lines occurs frequently and such reclassification can be made retroactively. The customs office gives weekly briefings about these changes. It is crucial to determine the correct tariff category before the product is shipped to avoid unpleasant (and expensive) surprises or unnecessary delays in customs clearance.

Russia is currently negotiating to join the World Trade Organization. Upon accession, Russian will need to make further changes in its tariffs.

### ***Excise Duties***

Excise duties are levied on imported alcoholic beverages. This tax can be as high as 200 percent.

### ***Value-added Tax***

As of April 1995, a value-added tax (VAT) of 20% has been applied to all food imports. This tax is payable at the time of importation. There may be other minor sales taxes (1-2%), in addition to the VAT, depending on the imported product.

### ***Customs Brokers***

There are a growing number of Russian companies that specialize in customs clearance and other customs-related problems and issues. For a list of these companies, please contact ATO/Moscow.

### **Potential Import Problems to Avoid**

Exporting products into Russia can be a daunting task for the inexperienced U.S. exporter. Even more experienced exporters encounter problems and delays due to sudden changes in Russian import requirements or customs regulations. For this reason, always check with your Russian importer or other sources to ensure that your shipment has all necessary documentation prior to shipment. Some of the more common problems include: errors or omissions on required documents and forms; missing documents and certificates; product price discrepancies (e.g., the invoice price does not match Russian customs officials' price determination); meat or poultry products shipped from a packing plant or facility not certified by Russian veterinary officials; duties, tariffs and VAT not paid in advance, delaying customs clearance for the shipment. (Note: customs duties and VAT must be paid before the product will be cleared by Russian customs authorities unless the product is shipped, under the seal, to a Russian bonded, customs-approved warehouse.

### **Contact Information for Russian Regulatory Agencies**

State Standard Committee (Gosstandart)

Moscow, Leninsky prospekt, 9

Tel: 7 (095) 230-13-20

Mariya F. Mishina, Head of Division of Standardization and Certification of Food and Ag Products

Tel: 7 (095) 237-5468; Fax: 7 (095) 237-6231

State Committee on Sanitary and Epidemiological Surveillance of the RF

(GOSKOMSANEPIDEMNADZOR)

Moscow, Vadkovskiy per.18/20

Tel: 7 (095) 973-2748; Fax: 7 (095) 200-0212, 258-4497

Evgeniy N. Belyaev, Chairman

Tel: 7 (095) 973-2748; Fax: 7 (095) 200-0212

Anatoliy A. Monisov, Vice Chairman

Tel: 7 (095) 973-2666, 973-1803, 973-2674; Fax: 7 (095) 258-4497

All-Russian Scientific-Research Institute for Certification (VNIIS)

Moscow, Elektricheskiy per.3

Boris Krutov, Head of Section

Tel: 7 (095) 253-3580; Fax 7 (095) 253-3360

“Rostest - Moskva”, Russian Center for Test and Certification, GOSSTANDART, RF

31, Nakhimovsky prospect, 117418, Moscow, RF

Zlatkovich Lev Arnoldovich, General Director First Deputy

Tel. 7 (095) 129-3200; Fax 7 (095) 124-9966